

FISCAL NOTE

SB 1348 - HB 1581

March 24, 2001

SUMMARY OF BILL: Creates an office of tax appeals. For administrative purposes, the Office of Tax Appeals shall be attached to the Administrative Offices of the Courts. The office would consist of Referees who have a Tennessee law license and experience with tax administration or tax law. Referees are appointed to four year terms by the Governor and approved by the Senate. The Office of Tax Appeals would review appeals of tax assessments or denial of tax refunds. The review is informal and discovery is permitted under a plan approved by a referee. Oral evidence is taken under oath and the proceeding may be transcribed. The decision regarding the appeal must be made within 90 days after the record on the tax appeal is closed. A taxpayer does not have to utilize this method for an informal appeal. Neither the taxpayer nor the Department of Revenue is bound by the decision, although the department is given authority to compromise if a decision is rendered in favor of the taxpayer.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$300,820 Recurring
\$39,500 One-Time**

<u>State Expenditures</u>	<u>Recurring</u>	<u>One-Time</u>
Personnel (Including Benefits)		
Office of Tax Appeals		
2 Referees @ \$68,750 each	\$137,500	
1 Law Clerk @ \$31,250	31,250	
1 Secretary @ \$21,250	21,250	
Department of Revenue		
2 Attorneys @ \$43,750	87,500	
Operational Costs(Annual)		
6 Offices @ \$13 sq.ft.		
Office Size 100 sq. ft.	7,800	
2 Hearing Rooms @ \$13 sq.ft.		
Room Size 500 sq.ft. each	13,000	
Office and Hearing Room Furniture		
Furniture 8 @ \$2,500 each		\$20,000
6 Telephone Lines @ \$420 each	2,520	
6 Telephone Sets @ \$250 each		1,500
6 Personal Computers @ \$3,000 each		18,000
Total	\$300,820	\$39,500

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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